

EXHIBIT B

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16
17 UNITED STATES BANKRUPTCY COURT
18 NORTHERN DISTRICT OF CALIFORNIA
19 (SAN FRANCISCO DIVISION)

20 In re

21 PACIFIC GAS AND ELECTRIC COMPANY, a
22 California corporation,
Debtor.

23 Federal I.D. Number 94-0742640
24

CASE NO. 01-30923-DM

Chapter 11 Case

STIPULATED PROTECTIVE ORDER

Hon. Dennis Montali

25 It is hereby stipulated and agreed to by the parties and their counsel that the terms and
26 conditions of this Protective Order shall govern the handling of documents, answers to
27 interrogatories, depositions, pleadings, exhibits and other information exchanged by the parties in
28 this action, namely, the pending dispute between Puget Sound
Energy, Inc. and Pacific Gas and Electric Company

FILED

01 MAY 10 AM 10:15

KEENAN G. CASADY, CLERK
U.S. BANKRUPTCY COURT
NORTHERN DIST. OF CA.
SAN FRANCISCO, CA.

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1 It is hereby ORDERED as follows:

2 1. This Order shall apply to and govern all depositions, documents produced in
3 response to requests for production of documents or subpoenas, responses to requests for
4 admissions and all other discovery pursuant to the Federal Rules of Civil Procedure and Local
5 Rules of the Court, as well as testimony adduced at trial, matters in evidence and other information
6 which the disclosing party designates (as set forth hereunder) as "CONFIDENTIAL MATERIAL"
7 or "HIGHLY CONFIDENTIAL/RESTRICTED MATERIAL" hereafter furnished, directly or
8 indirectly, formally or informally, by or on behalf of any party in connection with this action.

9 2. In designating information as "CONFIDENTIAL MATERIAL" or "HIGHLY
10 CONFIDENTIAL/RESTRICTED MATERIAL" a party shall make such a designation only as to
11 materials that the party reasonably and in good faith believes are not generally known and are
12 eligible for protection under Fed. R. Civ. Pro. 26(c).

13 3. "CONFIDENTIAL MATERIAL" or "HIGHLY CONFIDENTIAL/RESTRICTED
14 MATERIAL" shall be used by the parties to this litigation solely for the purpose of conducting this
15 litigation, and not for any other purpose whatsoever, except as required by law or order of the
16 Court, in which case the party using or disclosing the "CONFIDENTIAL MATERIAL" or
17 "HIGHLY CONFIDENTIAL/RESTRICTED MATERIAL" shall provide to the party who
18 produced the "CONFIDENTIAL MATERIAL" or "HIGHLY CONFIDENTIAL/RESTRICTED
19 MATERIAL" at least ten (10) days notice prior to the disclosure of the material.

20 4. Information designated as "CONFIDENTIAL MATERIAL" may be disclosed only
21 to the following persons:

22 a. The attorneys working on this action on behalf of any party, including in-
23 house attorneys, and all paralegal assistants, stenographic and clerical employees working under the
24 direct supervision of such attorneys;

25 b. The parties to this action, their in-house counsel and current employees who
26 have a need to know the information in order to assist in the prosecution or defense of this
27 litigation;

1 c. Any person not employed by a party who is retained or sought to be retained
2 by any attorney described in paragraph 4(a) to assist in preparation of this action for trial, with
3 disclosure only to the extent necessary to perform such work;

4 d. Any person of whom testimony is taken, except that such person may only
5 be shown copies of "CONFIDENTIAL MATERIAL" during his testimony, or as is necessary to
6 prepare for his testimony, and may not retain any "CONFIDENTIAL MATERIAL"; and

7 e. The Court.

8 5. Information designated as "HIGHLY CONFIDENTIAL/RESTRICTED
9 MATERIAL" may be disclosed only to the following persons:

10 a. The outside legal counsel for the receiving party assisting in this litigation
11 and their respective legal assistants and stenographic and clerical staff working under the direct
12 supervision of such counsel.

13 b. The following in-house legal counsel for Pacific Gas & Electric:

14 1. Mark H. Penskar

15 2. Janet C. Loduca

16 c. The following in-house legal counsel for Puget Sound Energy, Inc.:

17 1. Steven McKeon

18 2. Robert Neate

19 d. Outside experts and consultants retained by any of the parties who have a
20 need for such information to assist in this litigation, with disclosure only to the extent necessary to
21 perform such work.

22 e. Any person of whom testimony is taken, except that such person may only
23 be shown copies of "HIGHLY CONFIDENTIAL/RESTRICTED MATERIAL" during his
24 testimony, or as is necessary to prepare for his testimony, and may not retain any "HIGHLY
25 CONFIDENTIAL/RESTRICTED MATERIAL"; and

26 f. The Court.

27 6. The persons described in paragraphs 4(a), (b), (c), (d), and (e) and 5(a), (b), (c), (d),
28 (e), and (f) shall have access to the "CONFIDENTIAL MATERIAL" and "HIGHLY

1 CONFIDENTIAL/RESTRICTED MATERIAL" only after they have been made aware of the
2 provisions of this Order and have manifested their assent to be bound thereby by signing a copy of
3 the annexed "ACKNOWLEDGEMENT." A list shall be maintained by counsel for the parties
4 hereto of the names of all persons to whom "CONFIDENTIAL MATERIAL" or "HIGHLY
5 CONFIDENTIAL/RESTRICTED MATERIAL" is disclosed, or to whom the information
6 contained therein is disclosed, and such list shall be available for inspection by the Court upon the
7 request of either party.

8 7. Each individual who receives any "CONFIDENTIAL MATERIAL" or "HIGHLY
9 CONFIDENTIAL/RESTRICTED MATERIAL" hereby agrees to be subject to the jurisdiction of
10 this Court for purposes of any proceedings relating to the performance under, compliance with or
11 violation of this Protective Order.

12 8. The recipient of any "CONFIDENTIAL MATERIAL" or "HIGHLY
13 CONFIDENTIAL/RESTRICTED MATERIAL" that is provided under this Order shall exercise
14 reasonable care with respect to the storage, custody, use and/or dissemination of such information.

15 9. Parties shall designate "CONFIDENTIAL MATERIAL" or "HIGHLY
16 RESTRICTED MATERIAL" as follows:

17 a. In the case of documents, interrogatory answers, responses to requests to
18 admit, and the information contained therein, designation shall be made by placing the following
19 legend on any such document prior to production: "CONFIDENTIAL MATERIAL" or "HIGHLY
20 CONFIDENTIAL/RESTRICTED MATERIAL." In the event that a party inadvertently fails to
21 stamp or otherwise designate a document or other information as "CONFIDENTIAL MATERIAL"
22 or "HIGHLY CONFIDENTIAL/RESTRICTED MATERIAL" at the time of its production, that
23 party shall have five (5) business days after such production to so stamp or otherwise designate the
24 document or other information. As to any documents produced prior to the date of entry of this
25 Protective Order, the party who produced such documents shall have five (5) business days after
26 the entry of this Order in which to stamp or otherwise designate the document or other information
27 as "CONFIDENTIAL MATERIAL" or "HIGHLY CONFIDENTIAL/RESTRICTED
28 MATERIAL."

1 b. In the case of depositions, designation of the portion of the transcript
2 (including exhibits) which contains "CONFIDENTIAL MATERIAL" or "HIGHLY
3 CONFIDENTIAL/RESTRICTED MATERIAL" shall be made by a statement to such effect on the
4 record in the course of the deposition or within five (5) days after party's receipt of the transcript of
5 the deposition. Counsel shall list on a separate piece of paper the numbers of the pages and specific
6 lines thereof of the transcript containing "CONFIDENTIAL MATERIAL" or "HIGHLY
7 CONFIDENTIAL/RESTRICTED MATERIAL," inserting the list at the end of the transcript, and
8 faxing copies of the list to counsel for all parties so that it may be affixed to the face of the
9 transcript and each copy thereof. In order to allow each party to designate "CONFIDENTIAL
10 MATERIAL" or "HIGHLY CONFIDENTIAL/RESTRICTED MATERIAL" in each deposition,
11 the entire transcript, including exhibits, shall be deemed "CONFIDENTIAL MATERIAL" or
12 "HIGHLY CONFIDENTIAL/RESTRICTED MATERIAL" for 2 days after receipt of the
13 transcript by counsel; after that time, only portions of the transcript designated in accordance with
14 this section shall be "CONFIDENTIAL MATERIAL" or "HIGHLY
15 CONFIDENTIAL/RESTRICTED MATERIAL."

16 c. Transcripts of depositions will not be filed with the Court unless it is
17 necessary to do so for purposes of trial. If a deposition transcript is filed and if it contains
18 "CONFIDENTIAL MATERIAL" or "HIGHLY CONFIDENTIAL/RESTRICTED MATERIAL"
19 the transcript shall bear the appropriate legend on the caption page and shall be filed under seal.

20 10. A party shall not be obligated to challenge the propriety of a "CONFIDENTIAL
21 MATERIAL" or "HIGHLY CONFIDENTIAL/RESTRICTED MATERIAL" designation at the
22 time made, and failure to do so shall not preclude a subsequent challenge thereto. Any party to this
23 litigation may challenge a designation by providing to the producing party written notice of its
24 disagreement with the designation. The parties shall first try to resolve any challenge in good faith
25 on an informal basis. If the challenge cannot be resolved, the party challenging the designation may
26 request appropriate relief from the Court, but in any event, such relief from the Court shall not be
27 requested before three (3) days after the producing party is served with said written notice. The
28 burden of proving that information has been properly designated as "CONFIDENTIAL

1 MATERIAL" or "HIGHLY CONFIDENTIAL/RESTRICTED MATERIAL" is on the party
2 making such designation.

3 11. The Clerk of the Court is directed to maintain under seal all materials filed with this
4 Court in this litigation by any party which are, in whole or in part, designated as "CONFIDENTIAL
5 MATERIAL" or "HIGHLY CONFIDENTIAL/RESTRICTED MATERIAL," including all
6 pleadings, deposition transcripts, exhibits, discovery responses or memoranda purporting to
7 reproduce or paraphrase such information. The person filing such material shall advise the Clerk
8 that all or a designated portion thereof is subject to this Order and is to be kept under seal, except
9 that upon the default of the filing party to so designate, any party may do so.

10 12. In the event that any "CONFIDENTIAL MATERIAL" or "HIGHLY
11 CONFIDENTIAL/RESTRICTED MATERIAL" is used in any court proceeding in connection
12 with this litigation, it shall not lose its "CONFIDENTIAL MATERIAL" or "HIGHLY
13 CONFIDENTIAL/RESTRICTED MATERIAL" status through such use. The parties may request
14 that the court take additional steps to protect "CONFIDENTIAL MATERIAL" or "HIGHLY
15 CONFIDENTIAL/RESTRICTED MATERIAL" used in open court proceedings. For the
16 avoidance of doubt, use of any "CONFIDENTIAL MATERIAL" or "HIGHLY
17 CONFIDENTIAL/RESTRICTED MATERIAL" for any impeachment purposes shall not be
18 considered a violation of this clause or this agreement.

19 13. Nothing in this Order shall preclude any party to the lawsuit, their attorneys or any
20 other person from disclosing or using, in any manner or for any purpose, any information or
21 documents not obtained in discovery in this lawsuit if such information is lawfully obtained, even
22 though the same information or documents may have been produced in discovery in this lawsuit and
23 designated as "CONFIDENTIAL MATERIAL" or "HIGHLY CONFIDENTIAL/RESTRICTED
24 MATERIAL."

25 14. Nothing in this order shall preclude any party to the lawsuit or their attorneys (a)
26 from showing a document designated as "CONFIDENTIAL MATERIAL" or "HIGHLY
27 CONFIDENTIAL/RESTRICTED MATERIAL" to an individual who either prepared or reviewed
28 the document prior to filing of this action, or (b) from disclosing or using, in any manner or for any

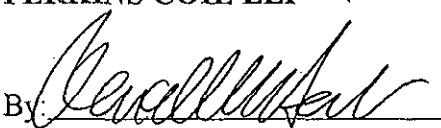
1 purpose, any information or documents from the party's own files which the party itself has
2 designated as "CONFIDENTIAL MATERIAL" or "HIGHLY CONFIDENTIAL/RESTRICTED
3 MATERIAL."

4 15. Within thirty-one (31) days of the termination of litigation between the parties, all
5 "CONFIDENTIAL MATERIAL" or "HIGHLY CONFIDENTIAL/RESTRICTED MATERIAL"
6 and all copies thereof shall be returned to the party which produced it. Parties agree not to destroy
7 the "CONFIDENTIAL MATERIAL" or "HIGHLY CONFIDENTIAL/RESTRICTED
8 MATERIAL" that is returned to them for a period of three (3) years from the termination of the
9 litigation.

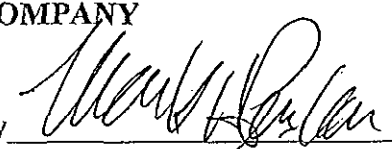
10 16. Except as specifically provided herein, the terms, conditions and limitations of this
11 Order shall survive the termination of this action.

12 17. This Stipulated Protective Order is without prejudice to the right of any party to
13 seek relief from the Court, upon good cause shown, from any of the provisions contained in
14 paragraphs 1 through 12, inclusive hereof.

15 ALAN D. SMITH
16 STEVEN G. F. POLARD
17 MANUELLA W. HANCOCK
18 PERKINS COIE LLP

19 By 
20 ALAN D. SMITH
21 Attorneys for Creditor Puget Sound
22 Energy, Inc., a Washington corporation

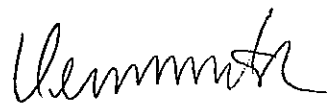
MARK H. PENSKAR
JANET C. LODUCA
PACIFIC GAS AND ELECTRIC
COMPANY

23 By 
24 MARK H. PENSKAR
25 JANET C. LODUCA
26 Attorneys for Debtor and Debtor In
27 Possession Pacific Gas and Electric
28 Company

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ORDER

IT IS HEREBY ORDERED this 9th day of May, 2001.



Dennis Montali
United States Bankruptcy Judge

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ACKNOWLEDGMENT

The undersigned hereby acknowledges that he/she has read the PROTECTIVE ORDER entered by the Court on May ____, 2001, in In Re Pacific Gas and Electric Company, Debtor; Case No. 01-30923-DM, and that he/she fully understands and agrees to abide by the obligations and conditions of the Protective Order. The undersigned further consents to the jurisdiction of the United States Bankruptcy Court for the Northern District of California, for the purpose of any proceedings relating to performance under, compliance with or violation of the above-described Protective Order.

(Signature)

(Title or Position)